17 HIV and AIDS financing in South Africa: sustainability and fiscal space

Authors:

Mark S. Blecher[i]
Calvin Chiu[ii]
Fareed Abdullah[v]
Jonatan Davén[i]
Nertila Tavanxi[vii]
Gesine Meyer-Rath[ii,iii]
Yogan Pillay[iv]
Aparna Kollipara[i]
Michael Borowitz[vi]

South Africa has the largest number of persons living with HIV and on antiretroviral treatment (ART) in the world. In December 2015, 3.26 million South Africans were on ART, with this figure scaling up by approximately 400 000 persons per annum. To sustain increasing ART roll-out an additional R1–1.5 billion above inflation has been allocated annually over recent years, while R8.9 billion of the Comprehensive HIV and AIDS Conditional Grant is budgeted for the ART programme in 2015/16.

The roll-out may need to expand more rapidly, as South Africa has amended the treatment threshold to a CD4 cell count of 500 cells/mm^3 and aims to reach the Joint United Nations Programme on HIV/AIDS 90-90-90 targets, effectively a form of test-and-treat, and to expand various prevention interventions.

HIV and AIDS treatment accounts for a significant and growing share of limited health budgets over the medium term through the current period of fiscal constraint. These pressures will be aggravated by other competing demands such as the 2015 wage agreement. Simultaneously in terms of bilateral agreements, funding is declining from donors such as the United States President's Emergency Plan for AIDS Relief.

This chapter analyses these questions using the results of the recent HIV and tuberculosis investment case, which includes the most recent national costing, cost-effectiveness and allocative efficiency modelling of the epidemic, while on the funding side it includes fiscal and budgetary information from recent national budgets, including Budget 2016.

Overall, the analysis suggests that introducing the HIV 90-90-90 targets will be hard to achieve, but that they are likely to be affordable and cost-effective, provided that this is done in a phased way and that annual increments to Government AIDS budgets are sustained. The HIV Investment Case has shown that the most cost-effective set of interventions can still massively affect outcomes such as mortality and HIV incidence. If Government spends more now on the most cost-effective interventions, the impact over 20 years will be greater, resulting in improvements in outcomes along with reductions in total spending in the long run.

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i National Treasury, South Africa
ii Health Economics and Epidemiology Research Office (HE^{2}RO), Faculty of Health Sciences, University of the Witwatersrand, Johannesburg
iii Center for Global Health and Development, Boston University, USA
iv South African National Department of Health
v South African National AIDS Council (SANAC)
vi Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM), Geneva
vii Joint United Nations Programme on HIV/AIDS (UNAIDS), Geneva